

Message Text

UNCLASSIFIED

PAGE 01 TORONT 01541 162356Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10

FRB-01 XMB-04 OPIC-06 LAB-04 SIL-01 /133 W

----- 031023

R 161931Z SEP 76

FM AMCONSUL TORONTO

TO SECSTATE WASHDC 4190

INFO AMEMBASSY OTTAWA

UNCLAS TORONTO 1541

E.O. 11652: N/A

TAGS: EINV, EMIN, PGOV, CA

SUBJECT: NATIONAL PRIDE WRECKING THE CANADAIN ECONOMY? - MEDIA REACTI
ON

THE LEAD EDITORIAL "ECONOMIC NATIONALISM EXACTS ITS PRICE" IN
THE SEPTEMBER 16 ISSUE OF THE WEEKLY NATIONAL MINING NEWSPAPER
"THE NORTHERN MINER" (CIRCULATION 20,000 INCLUDING 6,000 US)
TAKES A BROAD SWIPE AT PRIME MINISTER TRUDEAU AND HOW HIS
POLICIES HAVE BEEN IMPLEMENTED:

QUOTE - PRIME MINISTER TRUDEAU THINKS CANADIANS ARE GETTING
TIRED OF BEING PUSHED AROUND. HE MAY BE RIGHT. BUT, IN HIS
CURRENT MUSSINGS HE SOUND SOMEWHAT REMINISCENT OF FORMER PREMIER
DAVE BARRETT, OF BRITISH COLUMBIA, WHO AFTER BEING BOOTED OUT
OF OFFICE COULD NOT BRING HIMSELF TO BELIEVE THAT IT WAS BECAUSE
OF ANY WRONG THING THAT HE MIGHT HAVE DONE. IT WAS BECAUSE
THE VOTERS DID NOT UNDERSTAND WHAT HE WAS DOING. AND, THE
PRIME MINSTER SEEMS TO SUFFER FROMTHE SAME DELUSION.IT'S
NOT THAT HIS POLICIES MIGHT BE WRONG. IT'S ONLY THAT THE
ELECTORATE ISN'T ABLE TO GRASP WHAT HE IS DOING.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TORONT 01541 162356Z

UNFORTUNATELY, THE REAL TRUTH MIGHT BE THAT THE PEOPLE UNDERSTAND ONLY TOO WELL. THE GOVERNMENT'S POLICIES ARE SIMPLY NOT WORKING SO MAYBE IT SHOULD FACE UP TO THAT FACT THAT TAKE A GOOD HARD LOOK AT THEM TO SEE WHAT IS WRONG.

WAGE AND PRICE CONTROLS WOULD NEVER HAVE WON A POPULARITY CONTEST FOR ANY POLITICIAN. BUT NEVERTHELESS THE MAJORITY OF THE PEOPLE WERE WILLING TO GO ALONG BECAUSE IT WAS AGREED THAT THIS BITTER MEDICINE WAS NECESSARY TO DEFEAT INFLATION. BUT IT IS HOW THE CONTROLS HAVE BEEN APPLIED THAT HAD LED TO THE GROWING DISILLUSIONMENT OF LABOR AND BUSINESS. ALSO, THE FEAR, STEMMING FROM THE PRIME MINISTER'S YEAR END PHILOSOPHIZING, THAT CONTROLS MAY BE HERE TO STAY AND THAT INCREASING GOVERNMENT INVOLVEMENT IN THE ECONOMY WAS TO BE THE EXPECTED NORM IN THE YEARS AHEAD.

THEN, THERE WAS THE GOVERNMENT'S SCRAMBLE TO PUT TOGETHER AN ENERGY POLICY AFTER THE MAJOR OIL PRODUCING NATIONS HAD DECIDED TO EXACT THEIR TOLL FROM THE REST OF THE WORLD IN THE FORM OF SHARPLY HIGHER PRICES. MESMERIZED BY THE WHOLLY UNSUPPORTABLE MOTION THAT CANADA WAS "SELF SUFFICIENT" IN OIL, (A NOTION, BY THE WAY, THAT IS STILL BEING TRUMPETED BY NDP LEADER BROADBENT), NEW POLICIES AND EXHORBITANT TAXATION WERE INTRODUCED THAT SERVED ONLY TO SNUFF OUT THE BURGEONING DEVELOPMENT OF THE ALBERTA TAR SANDS AND TO PUT A SERIOUS DAMPER ON EXPLORATION IN THE FRONTIER AREA.

THE FOREIGN INVESTMENT REVIEW ACT, DESIGNED TO PREVENT A TAKEOVER OF A CANADIAN COMPANY BY FOREIGN INVESTORS UNLESS IT WAS OF "SIGNIFICANT BENEFIT" TO CANADA, HAS SERVED MOSTLY TO DRIVE FOREIGN CAPITAL FROM THESE SHORES. AS A RESULT ONTARIO PREMIER BILL DAVIS AND HIS TREASURER, DARCH MCKEOUGH, ALARMED BY THE SUDDEN DROP OF FOREIGN CAPITAL COMING INTO THE PROVINCE, RECENTLY MADE A HURRIED TRIP TO EUROPE TO SEE WHAT THEY COULD DO ABOUT DRUMMING UP SOME BUSINESS".

THE WAY THE FOREIGN INVESTMENT REVIEW AGENCY HAS BEEN ACTING IN SOME CASES HAS LED FOREIGN INVESTORS TO BELIEVE THAT IT IS USING ITS POWERS TO FORCE THE SALE OF FOREIGN SUBSIDIARIES TO CANADIAN OWNERS. ON TOP OF THAT, WITH THE SASKATCHEWAN PLANNED TAKEOVER OF THE POTASH COMPANIES, IT IS LITTLE WONDER THE FOREIGN

UNCLASSIFIED

PAGE 03 TORONT 01541 162356Z

CAPITAL HAS DEVELOPED A BAD CASE OF THE JITTERS REGARDING INVESTMENT IN CANADA. FOR THE FIRST TIME EVER, CANADA IS GETTING A REPUTATION IN FOREIGN CAPITALS AS BEING UNSTABLE POLITICALLY.

THE ULTIMATE IRONY, OF COURSE, IS THAT CANADIAN MINING COMPANIES HAVE STEPPED UP THEIR OFFSHORE EXPENDITURES, MANUFACTURING COMPANIES ARE LOOKING TO THE US AND ELSEWHERE FOR PLACES TO EXPAND AND BUILD NEW PLANTS. WITH ITS HIGH COSTS, IT SEEMS, CANADIAN

PRODUCTION IS PRICING ITSELF OUT OF WORLD MARKETS -- IT'S BETTER FOR A CANADAIN COMPANY TO GO TO THE US, BUILD A NEW PLANT THERE AND EXPORT TO CANADA, RATHER THAN EXPAND HERE. SO, WE HAVE TO LOOK AT THE DISMAL FACT THAT CANADA IS PUTTING MORE MONEY INTO THE US THAN IS COMING HERE FROM SOUTH OF THE BORDER.

SURELY, THE TIME HAS COME FOR MR. TRUDEAU TO ASK HIMSELF WHY HIS POLICIES HAVE GONE AWRY, AND HOW LONG THE COUNTRY CAN AFFORD TO PERSIST IN THEM. THE PRIME MINISTER HAS BEEN A STAUNCH ADVOCATE OF CANADIAN NATIONALISM AND HAS INFLUENCED LARGE NUMBERS OF PEOPLE WHO WERE PERHAPS NOT AWARE OF THE DAMAGE THAT COULD RESULT FROM EXCESSIVE ZEAL IN THIS DIRECTION. NATIONAL PRIDE IS ONE THING, BUT IT IS NOT NECESSARY TO LET IT RUN TO THE EXTENT OF WRECKING THE EOCONOMY.

FORTUNE MAGAZINE WHICH RECENTLY PUBLISHED AN ENLIGHTENING AND PENETRATING LOOK AT THE CANADIAN SITUATION SAID "TWEAKING THE EAGLE'S TAIL FEATHERS IS GREAT SPORT, BUT TRUDEAU'S DRIVE FOR MORE POWER OVER THE CANADAIN ECONOMY IS PUSHING COMPANIES AND CAPITAL OUT OF THE COUNTRY." THE PRIME MINISTER IS QUOTED AS SAYING, "WE IN CANADA ARE PREPARED TO PAY A LITTLE BIT MORE TO BE MORE INDEPENDENT ECONOMICALLY." FORTUNE SAGELY OBSERVES: "IT MAY COST MORE THAN A LITTLE BIT." - UNQUOTE.
DIGGIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ECONOMIC CONDITIONS, TEXT
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TORONT01541
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760350-0301
From: TORONTO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760951/aaaabrxi.tel
Line Count: 138
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 20 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 FEB 2004 by MaustMC>; APPROVED <26 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NATIONAL PRIDE WRECKING THE CANADAIN ECONOMY? - MEDIA REACTI ON THE LEAD EDITORIAL "ECONOMIC NATIONALISM EXACTS IT
TAGS: EINV, EMIN, PGOV, CA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006